

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

COMPETITIVE PRODUCT PRICES
PRIORITY MAIL EXPRESS CONTRACT 19 (MC2014-41)
NEGOTIATED SERVICE AGREEMENT

Docket No. CP2014-74

**NOTICE OF UNITED STATES POSTAL SERVICE OF
CHANGE IN PRICES PURSUANT TO
AMENDMENT TO PRIORITY MAIL EXPRESS CONTRACT 19**
(February 5, 2016)

The Postal Service hereby provides notice that prices under Priority Mail Express Contract 19, in the above-captioned proceeding, have changed as contemplated by the contract's terms. A redacted version of the amendment to Priority Mail Express Contract 19 is provided in Attachment A, and the unredacted amendment is being filed under seal. The amendment will become effective two business days after the day that the Commission completes its review of this filing.

The Postal Service is also filing supporting financial documentation and a certified statement as required by 39 C.F.R. § 3015.5. The certified statement required by 39 C.F.R. § 3015.5(c)(2) is provided in Attachment B. A redacted version of the supporting financial documentation is included with this filing as a separate Excel file. The Postal Service's original application for non-public treatment in this docket is hereby incorporated by reference for the protection of these materials.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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February 5, 2016

ATTACHMENT A

REDACTED AMENDMENT TO PRIORITY MAIL EXPRESS CONTRACT 19

AMENDMENT 1 OF 1
OF
SHIPPING SERVICES CONTRACT
BETWEEN
THE UNITED STATES POSTAL SERVICE
AND
[REDACTED]
REGARDING
PRIORITY MAIL EXPRESS SERVICE

This amendment amends the Shipping Services Contract dated August 13, 2014, regarding Priority Mail Express Service, made by and between [REDACTED] ("Customer") and the United States Postal Service ("the Postal Service" and such contract, the "Contract").

WHEREAS, the Parties desire to amend Sections I.B, I.F, and I.G, remove Section I.H, and renumber Section I.I to Section I.H.

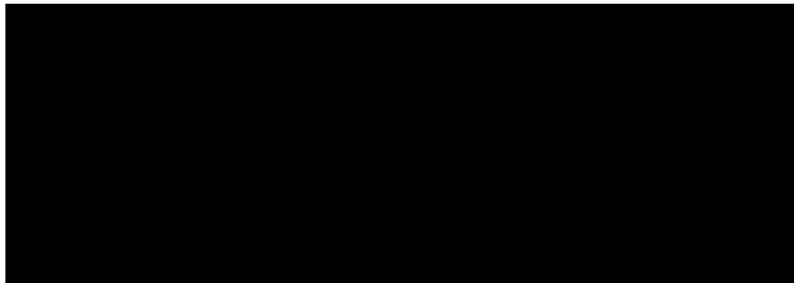
NOW, THEREFORE, the Parties agree that the contract is hereby amended as detailed below. The existing contract remains unchanged in all other respects. This amendment shall become effective two (2) business days following the day on which the Commission issues all necessary regulatory approval.

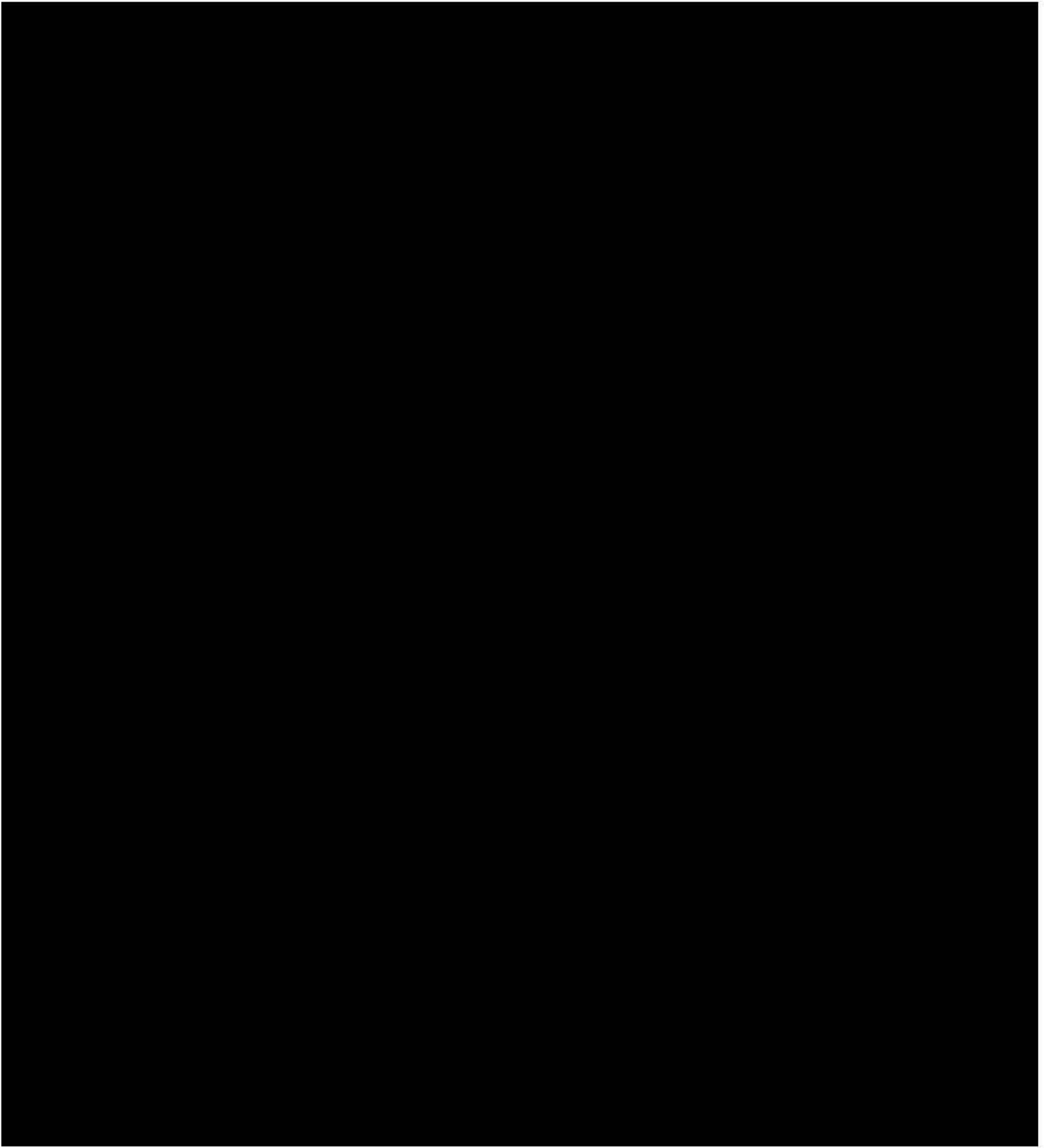
[Replace Sections I.B, I.F, and I.G in their entirety, as follows:]

I. Terms

B. This Contract applies to Customer's Priority Mail Express weight based packages [REDACTED] as well as Customer's Priority Mail Express Flat Rate Envelopes ("Contract Packages").

F. Beginning on the effective date of this Amendment, Customer shall receive a percentage discount off of published Priority Mail Express Commercial Base prices based on Customer's quarterly volume, as illustrated in Tables 2 through 5 below.





G. Subsequent Contract Year Prices. In subsequent Contract years, throughout the term of the Contract, Customer shall continue to receive the percentage discounts off the prevailing published Priority Mail Express Commercial Base prices, based on Customer's quarterly volume of Contract Packages (outlined in Table 2 above). All prices will be calculated by the Postal Service and rounded up to the nearest whole cent.

1. First Quarter prices will be based on Customer's volume of Contract Packages shipped during the Fourth Quarter in Table 1 above, of the prior contract year, pursuant to Section I.F, Tables 2 through 5 above.
2. Second Quarter prices will be based on Customer's volume of Contract Packages shipped during the First Quarter in Table 1 above, of the same contract year, pursuant to Section I.F, Tables 2 through 5 above.
3. Third Quarter prices will be based on Customer's volume of Contract Packages shipped during the Second Quarter in Table 1 above, of the same contract year, pursuant to Section I.F, Tables 2 through 5 above.
4. Fourth Quarter prices will be based on Customer's volume of Contract Packages shipped during the Third Quarter, as defined in Table 1 above, of the same contract year, pursuant to Section I.F, Tables 2 through 5 above.

[Remove Section I.H and renumber Section I.I to I.H, as follows:]

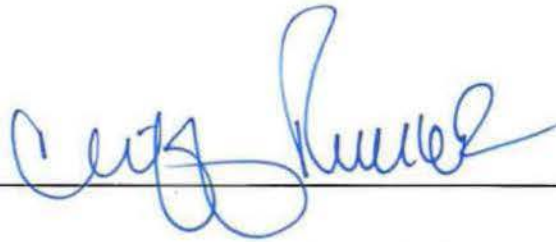
H. Quarterly Business Reviews. The Parties shall, within fifteen (15) days after the conclusion of each Contract Quarter (as defined in Table 1 above) in each Contract

Year, jointly conduct a business review of Customer's Contract Packages and other performance expectations under this contract either in person, by telecom or by webinar. If either Party is unable to conduct a business review within fifteen (15) days after the conclusion of the above referenced contract quarters, it shall notify the other Party in writing (i.e. email or mail) of that fact and propose a date as soon as practicable thereafter. The Postal Service must notify Customer, within fifteen (15) days after the start of each Contract Quarter, of the applicable tiered discounts for any Contract Packages shipped during that Contract Quarter.

IN WITNESS WHEREOF, the Parties hereto have caused this amendment to be duly executed as of the later date below:

UNITED STATES POSTAL SERVICE

Signed by: _____



Printed Name: Cliff Rucker

Title: Vice President, Sales

Date: _____

1-19-14

ATTACHMENT B
SIGNED CERTIFICATION

Certification of Prices for Amendment to Priority Mail Express Contract 19

I, Steven R. Phelps, Manager, Regulatory Reporting and Cost Analysis, Finance Department, am familiar with the prices and terms for the amendment to Priority Mail Express Contract 19. The amended prices and terms contained in this Contract were established by the Decision of the Governors of the United States Postal Service on the Establishment of Prices and Classifications for Domestic Competitive Agreements, Inbound International Competitive Agreements, and Other Non-Published Competitive Rates (Governors' Decision No. 11-6).

I hereby certify, based on the financial analysis provided herewith, that the amended prices are in compliance with 39 U.S.C § 3633 (a)(1), (2), and (3). They are expected to cover attributable costs. There should therefore be no subsidization of competitive products by market dominant products. The amended contract should not impair the ability of competitive products on the whole to cover an appropriate share of institutional costs.



Steven R. Phelps